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Press Release

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**ATTORNEY GENERAL DARRELL MCGRAW ANNOUNCES A
SETTLEMENT REACHED BY CONSUMER PROTECTION DIVISION
WITH F.E. RUNNER FUNERAL HOME. FUNERAL DIRECTOR AGREES
TO COMPLY WITH LAWS REGULATING PRENEED FUNERAL CONTRACTS**

In May of this year, Attorney General Darrell McGraw filed suit against F.E. Runner Funeral Home, Inc., and its owner, Cheryl Runner-Kittle ("Runner"), in the Circuit Court of Randolph County, alleging that the funeral home refused to abide by state laws that enable the Attorney General's office to monitor funds paid by consumers in advance for funeral arrangements.

Funeral homes that accept payment in advance from consumers must place the money in trust accounts for safekeeping. Each transaction must be reported to the Attorney General's Office ("Preneed Division"), and once the contract is serviced, the funeral home has to file a report to account for how the money was spent. These requirements allow the Preneed Division to monitor the consumer's funds, to ensure that the funeral home is not misappropriating the money. Funeral homes are also required to obtain a special license and certificate of authority from the Preneed Division to sell preneed funeral contracts.

When Runner failed to renew its license and certificate of authority last year, Attorney General McGraw's office audited Runner's books and discovered a number of contracts that it had failed to disclose. In addition, Runner had failed to report a number of prepaid funerals it had serviced over a four-year period. Following the audit, the Preneed Division urged Runner to follow disclosure requirements and submit the missing documents. However, six months following the audit, Runner had still not fully complied with state law, and the Attorney General's office filed its lawsuit to enable the Preneed Division to monitor Runner's preneed funeral contract funds.

In August, Runner agreed to cooperate with Attorney General McGraw's office, and has submitted the required documents to the Preneed Division. No misappropriation was alleged in the lawsuit, and Runner's latest filings are in compliance with statutory reporting requirements. After payment of a fee, the funeral home was reissued a license to sell preneed funeral contracts.

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